



The Office Of State Treasurer
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News

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A Sale of Tribune Company Newspapers Should Consider Their Sustainability

By Denise L. Nappier

The potential sale of the Tribune Company newspapers has raised concerns across a broad spectrum of interest groups, including unions, public pension funds and employees of the newspapers themselves. Many of these groups are opposing the sale of the company to certain purchasers because of their views, including their widely reported criticism of ‘big government’ and support of efforts to roll back laws that assist the middle class.

As Treasurer of the home state of *The Hartford Courant*, the oldest continuously published newspaper in the United States, I too am keenly interested in the fate of its parent company, Tribune. In addition, the Connecticut Retirement Plans and Trust Funds, for which I serve as principal fiduciary, is a shareholder of Tribune and a client of Oaktree Capital Management, one of the institutional investors that helped bring this company out of bankruptcy.

Newspapers play a particularly vital role in our nation’s civic culture by keeping citizens informed, illuminating issues of public importance, exposing government corruption, and celebrating our civic heroes. A robust and independent press is of vital interest to us all, so it is understandable that investors, employees and members of the public seek to ensure that “the Fourth Estate” is free from undue influence.

Given this widespread interest in the potential sale, I have urged the Board of Tribune to develop a fair and transparent process for evaluating the strategic options available to the company. Any such process can and should honor the company’s prestigious history by considering the long-term sustainability of its newspapers.

As an institutional investor, I understand the importance of the bottom line, and have adopted the position that our investment partners and portfolio companies ought not to focus on short-term results at the expense of long-term performance. In today’s global economy, the implications of environmental, social and governance factors are essential elements of standard business and investment due diligence.

The Tribune Board's process ought to reflect the environment in which it conducts business, recognize the needs of the society it serves, and maintain the highest level of governance best practices. My view finds ample support in Connecticut law which states that among the factors to be considered by the Treasurer, with respect to all investments, are the social, economic and environmental implications.

Businesses must remain responsive to its stakeholders and, in this case, its customer base. As such, the fate of the Tribune Company should be handled in a manner consistent with the principle that value creation and sustainability are not on opposite ends of the investment spectrum but, rather, go hand-in-glove with a smart and forward-looking business strategy.

Denise L. Nappier is Treasurer of the State of Connecticut.